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August 11, 2008

Chairman Mary Nichols
California Air Resources Board
1001 I Street
Sacramento, CA 95812

Dear Chairman Nichols:

The Orange County Transportation Authority (OCTA) appreciates the opportunity to comment on both the Climate Change Draft Scoping Plan (Plan), the June 2008 Discussion Draft, and the Climate Change Draft Scoping Plan Appendices (Appendices). Acknowledging the challenges associated with creating a workable framework for achieving greenhouse gas (GHG) emission reductions as required under AB 32 – the Global Warming Solutions Act of 2006 (Chapter 488, Statutes of 2006), OCTA looks forward to continuing to work closely with the California Air Resources Board (CARB) to fashion measures for the transportation and land use sectors that are feasible and economical. In order to create such measures the framework developed will need to include the flexibility necessary for agencies to adapt the measures to the existing regional structures and needs, while still making real strides to meet GHG emission reduction goals.

Regional Greenhouse Gas Reduction Targets

For the land use sector, both the Plan and the Appendices propose the creation of regional GHG targets. Although a regional approach to reducing GHG emissions offers the potential of allowing GHG reductions from land use and transportation to be achieved in a manner that takes into account local funding structures and needs, a collaborative effort in creating these goals will be needed. Specifically, in the Southern California region there should be a recognized opportunity for input from county transportation commissions such as OCTA, who have programming and planning authority over transportation projects within the region.

Furthermore, flexibility in how the regions achieve the emission reduction targets is imperative. As stated in the Appendices, each region within the state has different economic, population, and housing needs that will need to be met regardless of any new regulations implemented under AB 32. In order to ensure that these needs are met and that workable mechanisms for achieving GHG emissions reductions are created, it is best to allow the regions to determine the most appropriate mechanisms for reducing GHG emissions. A

one-size-fits all framework would be unworkable. By mandating specific strategies or otherwise constraining the ability of local agencies to respond to the immediate needs of their region, transportation project implementation and the corresponding achievement of GHG reductions will only be hampered. OCTA therefore agrees with the statement in the Appendices that recommends "actions to reach targets would not be prescribed to the regions."

OCTA also supports efforts at creating incentive based programs to meet any regional GHG emission targets, believing an incentive based approach is the best way to meet the goals of AB 32. Neither the Plan nor the Appendices references specific incentives for transportation agencies to meet GHG emission reduction goals. Although there are references to possible project streamlining under the California Environmental Quality Act (CEQA) for specific projects, past attempts at creating such structures have been problematic due to the lack of correlation between the recipient of the incentive and the entity which carried the burden. Any incentive developed should be granted equitably to all entities working towards meeting the targets developed.

The Appendices recommend that the state provide "technical, fiscal, and regulatory priority to projects and developments consistent with regional blueprints that meet established targets." OCTA strongly discourages any prioritization or linking of transportation funding to any adopted GHG emission reduction goals. Such a linkage could delay many already planned projects in which the state and regions have invested extensive time and resources.

Overall, one of the keys to meeting GHG emission reduction goals will be the development of adequate protocols for not only measuring GHG emissions, but also tracking, modeling, and mitigating. Part of the development of these measures should be consideration that there are multiple forms of measuring GHG emission reductions besides looking solely to a reduction in vehicle miles traveled. For instance, our modeling shows that a decrease in vehicle hours traveled can also decrease overall GHG emission reductions by allowing people to reach their destinations more efficiently. In addition, efforts to target congested bottlenecks also reduce GHG emissions by reducing the time vehicles idle. Each of these methods should be recognized in any protocols or recommendations for reducing GHG emissions.

Finally, the Appendices currently refer to a 2010 date for creating the regional GHG reduction targets. At the same time, the Appendices recommend the targets be created with consideration of reductions that will be achieved from

other proposed transportation-related GHG measures. Regulations adopted under AB 32 do not have to be enforceable until 2012. Creating targets prior to all regulations being implemented under AB 32 will not allow full consideration of all GHG benefits that will be achieved. Thus, it is recommended that the targets be created at a date later than 2010 when more definition is available relating to reductions that will be achieved by other measures. Otherwise, the targets created will be premature, creating possible inconsistencies.

Blueprints

Both the Plan and the Appendices propose regions use the blueprint planning process to create an integrated land-use and transportation plan that meets regional needs, as well as GHG targets. OCTA agrees that a growth scenario based on local input that is consistent with general plans is critical to the success of future transportation planning studies, land-use decisions, environmental documentation, and modeling efforts.

Blueprints should be developed using a bottom-up approach that incorporates input from local agencies, county transportation commissions, MPOs and the general public. They should be the result of a voluntary, collaborative process and be aligned with regional transportation plans (RTP) and local general plans. Blueprints should reflect a future growth scenario that local agencies believe is feasible to implement, not simply a wish list of projects that are unlikely to be approved.

Blueprints will be ineffective if they propose a growth scenario that differs significantly from development patterns outlined in RTPs and general plans. If blueprints become mandatory documents, local agencies should retain their right to control transportation funding decisions and should be given flexibility in how to meet GHG targets using a combination of land-use and transportation strategies. Transportation funding decisions should not be based on consistency with a blueprint plan that may not reflect realistic patterns of growth and expected development.

Greenhouse Gas Emission Reductions Associated with Land Use

The Appendices state that current modeling results show reductions from land use changes could lead to a 25 percent reduction in VMT and GHG emissions from the 2050 base case. Citations for such estimates, however, are not given, but instead the Appendices state that the numbers are based on CARB staff's literature search. All literature used in these estimates should be provided for analysis by stakeholders. The underlying assumptions of the analysis should be clear. Furthermore, it is not clear whether these estimates take into account changes in travel behavior the state is experiencing due to increased fuel prices. These recent shifts should be part of this analysis.

California Environmental Quality Act Incentives

As mentioned previously, both the Plan and the Appendices mention the streamlining of the CEQA process for GHG emissions as a possible future incentive. OCTA supports efforts to encourage future streamlining, especially for transportation projects consistent with stated GHG emission reduction goals. As recommended in the Appendices, programmatic mitigation strategies can be a useful tool to meet regional GHG emission reduction. The preference for a programmatic analysis of GHG emissions is echoed in the recent CEQA Technical Advisory released by the Governor's Office of Planning and Research, which stressed that some projects may not be appropriately analyzed at the project level due to the analysis not being feasible or effective.

If a regional approach to reducing GHG emissions from transportation and land use is to be taken and is implemented through a blueprint type mechanism, transportation projects consistent with such blueprint should have the GHG emission CEQA analysis done at the programmatic level. Project level CEQA analysis for GHG for these same transportation projects would be duplicative of the analysis already done at the programmatic level. Not addressing this issue would create additional hurdles for meeting the regional GHG emission reduction goals by extending the time needed to complete environmental analysis for transportation projects and creating the potential for further delays because of potential litigation challenges.

Emission Reductions from State Bond Projects

The Appendices propose that GHG emission reductions achieved through the state bond funded projects should remain with the state. OCTA opposes this proposal. The entity that proposed, planned, and implemented the project that achieved the reduction should have ownership over the GHG emission reductions resulting from such projects. Moreover, projects funded by Proposition 1B were matched with local and other funds from the implementing agency. Due to the nature of the project development process and the variety of local funding sources involved, any GHG emission reductions should be credited to the entity that implemented the project.

Costs Associated with Land Use Changes

The Plan and the Appendices state that changes in the Local Government sector to regulate GHG emissions are expected to result in long-term cost savings for all levels of government. OCTA questions the methodology behind that assertion, as the two Blueprint plans cited have not been in place long enough to demonstrate any tangible benefit or cost savings.

In addition, CARB does not acknowledge the significant short-term costs associated with measures proposed in the Plan, including land-use changes, development of new vehicle technology, and the capital and operating costs related to increased transit service. Existing funding sources will not be adequate to support the range of measures proposed in the Scoping Plan.

Updated Regional Transportation Plan Guidelines

The California Transportation Commission (CTC) recently adopted new guidelines to address GHG emissions within the RTP. The guidelines are the result of a multi-stakeholder effort that included the participation of transportation agencies including OCTA, environmental stakeholders, and land-use entities. These policies represent a consensus approach by the participating entities of how to address GHG emission reductions in the transportation planning and programming process. A similar process should be used in any future modifications, if required. In addition, CARB should look not only at the flexibility and the variety of choices addressed in the guidelines, but also the stakeholder process as a model for how to create consensus in the transportation and land use sector.

Updated State Transportation Improvement Program Guidelines

The Appendices state that the California Transportation Commission will update the State Transportation Improvement Program (STIP) guidelines to include potential "strategy metrics" such as the number of projects that promote pedestrian, bicycle, transit and rail access. While these criteria may be used as performance measures in the STIP, they should neither influence project selection nor contradict current authorizations and obligations.

Transit Measures

Various policy proposals within both the Plan and the Appendices are created with the underlying intent to encourage greater use of alternative forms of transportation, such as transit. An increased demand in transit will further burden already strained funding for transit operations and capital. In order for transit operators such as OCTA to attempt to meet the anticipated demand, it will be necessary for the state to provide secure, consistent funding for transit without further diversions. Furthermore, it should be acknowledged that existing land uses in some areas may never have enough demand to support an extensive public transit network.

In addition, the Plan and the Appendices should include transportation projects that contribute to reducing GHG emissions as eligible recipients of additional sources of revenues provided under AB 32. Within the framework of AB 32, the use of market mechanisms such as a cap-and-trade system, are encouraged. Through these types of market mechanisms there is a potential for the creation of additional sources of revenue. With acknowledgement that the mechanisms implemented under AB 32 will serve to create greater demand for alternative transportation, OCTA recommends that the Plan and Appendices specifically include such projects as eligible recipients of any revenues created by market mechanisms under AB 32.

Consideration should also be given to state laws that require an efficient investment in public transportation services. Regulatory mandates that lay out specific efficiency requirements such as farebox recovery ratios should be reconsidered in light of the attempts to create an increased demand for these services.

The predicted increase in transit demand should also be carefully considered when creating new technology requirements for transit. While transit continues

to aggressively take strides to meet air quality requirements and reduce GHG emissions through the use of alternative fuel vehicles, additional requirements such as those required under the zero emission bus rule could pose additional hurdles for meeting the increased demand.

Congestion Pricing

Both the Plan and the Appendices propose the potential use of congestion pricing as a method of GHG emission reductions. OCTA, as the operator of one of the first successful congestion pricing projects in California – the 91 Express Lanes, can provide valuable insight into how such projects should be implemented. OCTA recommends the Plan and Appendices use the 91 Express Lanes as a model for how congestion pricing principles should be created to expand travel options. Revenues from such projects should be made available for improvements and maintenance, as well as transportation alternatives and overall corridor benefits. In addition, the Plan and the Appendices should give consideration of the use of public-private partnerships to create such projects.

The 91 Express Lanes has created another mobility option for customers traveling between Riverside and Orange counties. The use of congestion management pricing is designed to optimize the traffic flow by managing demand of the 91 Express Lanes at free-flow speeds. Through the use of this structure, commuters report an average savings of 30 minutes on their drive by using the toll roads. Furthermore, over 80 percent of respondents in the 2007 customer satisfaction survey admit that they would alter their drive times to correspond with lower priced times.

In order to allow for additional similar projects, OCTA supports the efforts discussed in the Appendices to advocate for additional state legislative authority to implement this mechanism.

High-Speed Rail

OCTA supports implementation of the California High-Speed Rail system including the Los Angeles to Anaheim route in the initial segment. OCTA has agreed to provide \$7 million toward project-level environmental studies within the 27-mile Los Angeles to Anaheim corridor. The California High-Speed Rail Authority (CHSRA) has completed a preliminary analysis demonstrating the feasibility of using renewable sources of energy to power the high-speed rail

system, potentially providing additional GHG reduction benefits. OCTA believes the CHSRA project moves the state in the right direction by providing an environmentally friendly alternative to air travel and long-distance vehicle trips.

However, OCTA questions the need to create a new "interregional transportation and land use body" that would identify "smart corridor" development areas around high-speed rail stations. Currently, the CHSRA has sole statutory authority to develop and implement the state's high-speed rail system. The CHSRA is already working with cities along the proposed high-speed rail route to create a set of station-area development policies that reflect the type of "smart corridor" development CARB encourages. A new and duplicative agency is not necessary.

Goods Movement

OCTA agrees that the development of goods movement efficiency measures should be a high priority, not only to help meet the state's GHG reduction goals but also to improve overall air quality and reduce traffic congestion. The development of such measures should be a collaborative effort that brings together public and private-sector stakeholders at the local, regional, state and federal level. OCTA and its regional partners should be active participants in such a process.

OCTA would like further clarification on how emission reduction goals will be assigned to "key contributors", including ports, shippers, and rail operators. In addition, CARB should elaborate on the proposed membership of the Goods Movement Vision 2050 taskforce, which should include county transportation commissions such as OCTA. OCTA is generally supportive of public-private partnerships to improve goods movement networks, provided that approval of goods movement infrastructure and mitigation projects remains at the local level.

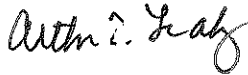
CARB recently adopted a new regulation that requires cargo ships, tankers, and cruise vessels sailing into California waters to use cleaner fuel to power their engines and boilers. This regulation should be referenced in the Scoping Plan.

OCTA looks forward to continuing to collaborate with the California Air Resources Board to promote strategies that allow us to provide cost-effective, reliable, and safe transportation to our customers while doing our

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part to improve California's air quality. If you have any questions please contact me at (714) 560-5584 or Wendy Villa, State Relations Manager, at (714) 560-5595.

Sincerely,



Arthur T. Leahy
Chief Executive Officer

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c: Orange County State Legislative Delegation
Southern California Association of Governments
Los Angeles Metropolitan Transportation Authority
Riverside County Transportation Commission
San Bernardino Association of Governments
Ventura County Transportation Commission
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